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ABSTRACT

For the small business advisor, consulting and counseling are part of the same continuum. Advisors' roles can be aligned hierarchically: (1) advisors may need simply to provide business information or expertise; (2) they may need to facilitate the business process, helping clients identify problems and discover their own solutions; (3) for clients holding false premises, advisors may need to engage in developmental counseling to develop business concepts or identify direction and make decisions; (4) they may need to redirect clients' energies, either because their aspirations do not match their capabilities or because they are unable to consider the situation fully; or (5) advisors may need to intervene in crisis situations. All counseling theories involve the client in learning with the intent to change behavior. They provide a basis for approaching these diverse situations. The Rogerian approach, involving empathy but no attempt to change people, is best for simple consulting or facilitation. An Adlerian approach, which does not oppose advice-giving, seems best for clients needing developmental counseling. The approaches of Ellis and Thorne, respectively, are most appropriate when clients need to be told their aspirations are illogical or irrational, or when crisis intervention is necessary. (MSF)

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FOR THE SMALL BUSINESS ADVISOR

A Business Advisor's Guide to Counseling Theories

John A. Boyd

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A Business Advisor's Guide to Counseling Theories

John A. Boyd

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When I first started to work for the University of the Virgin Islands Small Business Development Center, I was not sure why I was classified as a business counselor instead of a business consultant. The dictionary was not very illuminating; a counselor is an advisor, while a consultant is a provider of technical advice.

The hiring process I went through also did nothing to clarify the distinction between counselor and consultant. I was questioned about my academic credentials, prior consulting experience and the small businesses I had owned. I was also questioned about my ability to work with men and women of diverse cultural and ethnic backgrounds. While a proper background and the ability to work with people are essential to being a good counselor, it was not until I had handled a few hundred clients and had taken a course in counseling theory that I began to understand the fine distinction between counseling and consulting.

In this article, *consulting* is limited to the providing of specific knowledge to solve a problem, and *counseling* is the process which leads to future changes in behavior. The distinction can be seen in the proverb, "When you give a man a fish, he eats for a day. When you teach a man to fish, he eats for a lifetime." In the former case, the problem of hunger is solved for the moment, in the latter case there is a change in the person's behavior, which leads to a permanent solution.

In reality, the distinction is never as clear-cut as in the proverb. Turner (who is a business consultant himself, in addition to being a professor) took note that consultants perform eight different functions which could be arranged in a hierarchy from the most basic (providing information), to higher level goals such as facilitating client learning and improving organizational effectiveness. His eight functions, and a brief discussion of them are shown on page 51.

While business advisors can expect to be involved in a broad range of client relationships, the primary goal of the advisor is to help clients resolve business problems. But this cannot be done without considering the needs of the owner. Inevitably, small-business problems are coupled with the owner's state of mind and, to the extent that the owner has "mental blocks" that prevent full development of the business, the advisor must work to help the owner reach his or her full potential.

Hence, the small business advisor should recognize that consulting and counseling are part of the same continuum. The more the business advisor knows about counseling theory, the greater the chance of success in helping clients resolve their business problems. Before discussing the application of counseling theory to business problems, I will present five models for providing assistance to clients. Case histories accompany the models.

Providing expertise

The case of the computer kid Mary came to my office because her father and I were friends. She had just returned from college and wanted to enter the computer assembly business. As we discussed the project, she provided a business plan that described the target market, marketing plan, pro forma income statement, location at a family property and all aspects of the business.

I indicated to Mary that I didn't know what type of help I could offer, as she seemed remarkably well prepared. She told me that she would like me to convince her father (who wanted her to get a stable job) that her plan had a good chance of success. Also, she had a few questions about getting a business license and about receiving local tax benefits for small manufacturers.

Discussion of providing expertise In this model, the advisor is acting as a consultant and is providing knowledge to the client who is completely capable of making all decisions once the information has been digested. Any investigation by the consultant is usually under the

Turner's Hierarchy vs. Boyd's Approach

Turner was probably the first to say that consultants function within a hierarchy of consulting purposes.

The lower-level functions include: providing information, providing solutions, redefining problems, providing recommendations and assisting implementation.

At a higher level, Turner noted that consultants could also: strive to build consensus and commitment, facilitate client learning and improve organizational effectiveness. He recognized a difference in objectives for the business advisor acting at this higher level, but simply referred to it as higher level consulting. As mentioned at the start of this article, those functions which include an element of client learning are considered by this author to be counseling.

The problem with organizing the services of a business advisor by function is that it may not necessarily match the developmental needs of the client. The case studies in this article illustrate that Jeff, Alice and Wayne all needed a business plan to support a loan application. According to Turner's hierarchy, providing information and performing the task of preparing the plan are all lower level consulting services. However, Jeff needed coaching to do the plan, Alice needed developmental counseling to understand the plan and Wayne needed rational redirection to find a sense of direction.

Arranging the services by function obscures the dramatically different development needs of clients.

Arranging the services by function obscures the dramatically different development needs of clients. Hence, the approach suggested in this article is to first determine the developmental needs of a client and then to interact with that client in an appropriate manner. This will help clients achieve their business and human potentials.

Turner's Hierarchy

8. Improve organizational effectiveness
7. Facilitate learning
6. Build consensus and commitment
5. Assist with implementations
4. Provide recommendations
3. Redefine problem
2. Provide solutions
1. Provide information

Boyd's Approach

Determine the developmental needs of the client → Use techniques of Rogers, Ellis, Adler or Thorne →

Your client's needs determine whether you:
- Provide Expertise
- Facilitate the Process
- Begin Developmental Counseling
- Begin Rational Redirection
- Begin Crisis Intervention

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complete control of the client. Both the consultant and the client are experts, but with different areas of expertise. At the end of the relationship, the client will select and implement the solution to the specific problem.

In the process facilitation mode, the advisor should be like a coach.

Process facilitation

The case of the counselor's counselor Recently, Jim, one of our adjunct counselors, came to my office with a business plan that he had prepared for himself. A local banker had questioned his work and had wanted more details on the financial statements. When Jim had prepared the plan, he had used an old question and answer format guide, as opposed to a continuous narrative. Because of this, there was no clear-cut relationship between the pro forma financial statements and the spending power of the target market, the proposed mark-up, or what market share the estimated sales volume represented.

Jim had most of the information. However, the question and answer format couldn't incorporate the information, so he had left it out. If I had acted as a consultant, I would have done the plan for Jim. Yet this is not the best solution because he is an adjunct counselor who will be working with others in the future. In this case, I went over the financial statements with Jim and showed him a sample plan. He then rewrote his plan, using the more contemporary presentation.

Discussion of process facilitation Turner (1982) would describe this as higher level consulting and Schein (a pioneer in the topic of higher level consulting) would call this process consulting. However, since this process does involve the potential for a behavioral change by the client, the process will be described as counseling. Despite the difference in terminology, the model proposed by Schein describes the situation well.

According to Schein, this client needs assistance in identifying the exact problem, and would also benefit from participating in the problem identification process. The assumption is that the client has constructive intent and some problem-solving ability. Once the problem is identified and solutions are developed, the client is ultimately the only one who knows which solution will work best in his or her situation. The goal of the counseling process is to get the client to select his or her own solution. Subsequently, the problem-solving skills of the client will increase for future problems. The client may still have to rely on outside expertise or knowledge, but the client will be capable of identifying the problem and implementing the solution.

In the process facilitation mode, the advisor should be like a coach. If instead, the advisor acts like a consultant and does the work, the solution may be ignored or the client may not understand the reason for the recommendation. Turner (1982) reports that much of the money paid to consultants is for "impractical data and poorly implemented recommendations." Also, by not working with the client to develop an understanding of the process, the client remains forever dependent. In the areas of law and taxation, the client remains forever dependent because the laws keep changing. In other areas, it should be the goal of the counselor to reduce dependencies and to develop client capabilities in decision-making.

Stevenson and Sahlman (1988) viewed the advisor-client relationship from the client's perspective and reached similar conclusions. Their advice was: "Become an activist manager of the advice-giving process ... advice is not worth much if it is set in stone by the time [the client] sees it. Managing the advice supplier means you work with the experts as they develop their recommendations." The authors also advise the client to seek an advisor who can view problems from the client's perspective.

Consider the previous case of the development of the business plan for Jim, who completely understands his proposed business. If I had simply reworked the plan, I would have acted as a consultant. When I provided information and coached Jim on developing his own revised plan, I acted as a process facilitator. Because Jim was extremely well prepared, he has an excellent chance of success in the business, regardless of which path was selected. The benefit to Jim is that, as an adjunct counselor, he is now better prepared to help others in the development of business plans.

Developmental counseling

The case of the confused cook Alice came to my office because she wanted a loan to open a restaurant. After I introduced myself and described the capabilities of our SBDC, I started with a preliminary request for information about herself as it related to the restaurant business.

Alice told me she had been a cook for 28 years in various restaurants (two totaled 21 years of service) and she wanted to start her own. As I worked through my list of standard questions (See the "List of Counseling Questions" on page 48 and 49.), I began to find out that Alice had no particular target market in mind, had not yet

How to Conduct a Counseling Session

Paul Nash and Frederick Nader ("Ten Guidelines for Effective Counseling," *Small Business Forum,* Fall 1990) give some excellent advice on how to respond to difficult situations. However, when I first started counseling, one of my challenges was getting the clients to open up and tell me about their dreams.

Currently, I start an interview by introducing myself and the SBDC concept. I am a firm believer that every business should have a business plan and all of my interview questions lead to that objective. I work from a modification of a list presented by Donald Kuratko in the Winter 1990/1991 *Small Business Forum* ("Demystifying the Business Plan Process: An Introductory Guide"). Note that virtually all of the questions are open-ended and are designed to get clients to talk about themselves and their projects. Since none can be answered with a simple yes or no, clients become active participants in the planning process.

Note that virtually all of the questions are open-ended and are designed to get clients to talk about themselves and their projects.

I do not mean to imply that I use the list to systematically interrogate clients. Rather, I use it from memory because it is the basis for a business plan. Generally in the first session, I ask one or two questions in each area in no particular order. I determine the person's strengths; this is the goal of the first session.

By far, the largest group of clients (perhaps 80 percent) are those who need developmental counseling in order to develop their business or their plan. As the session comes to a close, I select three to five areas where they will have to do their homework. For a restaurant, for example, the homework might include: defining the target market, developing a menu for that market, and seeking out a location accessible to the group. Before clients leave, they have their written homework assignment and a date for their next appointment.

Counseling questions

I. Business description
- What type of business are you planning?
- What products or service will you sell?
- How much time will you commit to the business?
- How is it unique?
- What is the growth potential?
- Why does it promise to be successful?

II. Product description
- Describe in detail your product or service.
- What is the breadth and depth of the offering?
  i. How many different products or services?
  ii. How many variations of a particular product?
- What will be the quality of your offering?
- Describe your after-sales service.
- What brand names will you offer?
- What arrangements are you making for customer financing?
- What warranties will you offer?

III. Marketing
- Who are your potential customers?
- How large is the market?
- Does your product or service meet the needs of your target market?
- How will you price your product or service?
- Is your price compatible with your target market?
- What advertising and promotion will you use to reach your target market?
- What is the cost of the advertising and promotion?

developed a menu, only had a general idea about the price range and had not considered the ambience or decor. She did, however, have a name, "Alice's Restaurant" (and you had to be an Arlo Guthrie fan to remember that).

In a case such as this, I work very slowly with the client. Initially, I avoid discussing finances, or pro forma financial statements because many people are afraid of numbers. In addition, one cannot do meaningful projections before the

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As the session comes to a close, I select three to five areas where they will have to do their homework.

IV. Competition
- How many potential competitors do you have?
- Where are they located?
- What do they charge for their service or products?
- Who are the best?
- How will you be different?
- How will you be better?

V. Location?Facility
- Where will your business be located? Why?
- What steps are required to produce your product or service?
- What will it cost to set up your facility?
- How much inventory is needed and at what cost?
- Who will be your suppliers?
- What type of transportation is available for customers, suppliers and laborers?
- What is the supply of labor?
- What will it cost to produce your product or service?
- Is rent reasonable compared to your competitors?
- What utilities will you need and are they available?
- Is security necessary? If so, at what cost?

VI. Research, Design and Development
- Have you carefully researched the industry you are entering?
- What technical assistance have you received?
- What research needs do you anticipate?
- Are the research costs reasonable?

VII. Organization
- Who will manage the business?
- What qualifications does the manager have?
- How many employees will you need? What will they do?
- How will you keep your employees honest?
- How will you structure your organization?
- What are your plans for employee salaries, wages and benefits?
- What consultants or specialists will you need? Why?
- What legal form of ownership will you use? Why?
- What licenses and permits will you need?

VIII. Financial
- What is your total estimated business income for the first year?
- What is the basis for that estimate?
- What will your personal monthly financial needs be?
- What sales volume will you need in order to make a profit during the first three years?
- What will be the break-even point?
- What will it cost you to open the business?
- What are your total financial needs including working capital?
- What are your potential funding sources?
- How will loans be secured?
- What will be your projected assets, liabilities, and net worth on the day before you expect to open?

target market is determined. I also do not intimidate the client with all of the questions on the list, but attempt to assign three to five as homework for our next meeting. After Alice settled on the target market, location, menu and pricing, we started on more esoteric concepts such as ambience and decor. Eventually, we developed pro forma financial statements. It took over a year, but Alice's Restaurant eventually opened.

Development counseling must be considered a long-term process by the counselor. However, I

rarely explain the complexity of the process to clients at the start for fear of scaring them out of business.

Discussion of developmental counseling The group of clients needing developmental counseling is numerically significant. And, I would guess that this group experiences the highest rate of business failure. However, there is little in the literature on exactly how to assist them. These clients know that something is wrong, but they are not even capable of defining the symptoms. They may say, "I want to get into business but I don't know how."

These clients enter the business community just as a baby enters the world. They have no knowledge of business, they do not have business skills and they do not speak the language of business. Even worse, they may have false premises in terms of pricing or business values. Furthermore, the client may not trust the counselor.

The goal for the advisor is to help educate the client. We want the client to eliminate false premises, develop business concepts, identify direction and make decisions. If clients can do all that, they are ready to enter the business world and are also ready for the higher stage of counseling previously mentioned (process facilitation).

Unfortunately, many small-business advisors do a disservice to their clients at this stage by acting as a consultant, which means preparing a business plan and loan package for them. Many professionals, such as doctors and lawyers, are excellent at what they do, but need developmental counseling before they start a business. They are simply not prepared by knowledge or temperament to run a business other than their own practice. Yet, they have the financial resources to pay the consultant, borrow the money and start the business. Under these conditions, how can a business become successful? An ethical small-business advisor should not prepare a loan package for a person who is simply not ready.

An alternate form of disservice is abandoning the client. Many minority group members — who are not a part of the "old boy network" — would benefit from "one-to-one" developmental counseling, but many are unable to afford the service. Consulting services that facilitate the entry of people who lack networks and mentors will fail in the long run, unless they offer a strong developmental component. Bowser (1981) studied minority businesses that used preventure consultants and compared them to minority businesses that started without assistance. The former group was better educated and had more adequate initial capital, but was *less* likely to have an adequate customer base to support their business. Prior to entering business, clients must learn the language, develop business skills and eliminate false premises that lead to erroneous business decisions.

Rational redirection

The case of Wayward Wayne When Wayne first came to me he was 16 years old. He was a video game addict who had developed the logic and sequencing for a video game. He had a trade name and logo, had developed a marketing and distribution plan and had contacted Atari for a license to develop a game compatible with their hardware. However, he had no knowledge of computer software development and wanted to borrow $200,000 of risk capital to pay programmers to develop his game. To further compound the problem, he had no collateral and he had dropped all but two classes in high school, neither of which was in computer science.

In my initial contact with Wayne, I tried to explain that his plan, while good, had some difficulties. However, the real problem was that it was highly unlikely that anyone would invest $200,000 in a high-risk venture with a partner who had no credentials or track record. I didn't see Wayne for a couple of months, but when he returned, his plan was excellent. He had spent his spare time expanding the scope of the venture and making the plan as close to perfect as possible.

This time I was even more direct with Wayne and explained that there was absolutely no chance of an undereducated young person obtaining $200,000 of high risk capital. I suggested to Wayne that if his academic credentials improved and he became a skilled programmer, that I might be able to find an "angel" that would allow him access to the hardware he needed. However, he would have to do his own programming. I set up appointments for Wayne with one of the best programmers in the community and also with the director of continuing education at the university.

Wayne skipped both appointments and I did not see or hear from him for six months. At the start of his senior year, Wayne called for help. It seems he had been kicked out of high school for being too old (18) to acquire all the credits he needed to graduate. Wayne was admitted to an alternate school and, upon graduation, he entered the Navy to become an electronics technician.

Discussion of rational redirection It is fortunate that very few clients need rational

An ethical small-business advisor should not prepare a loan package for a person who is simply not ready.

A Comparison of Counseling Styles

How would Rogers, Adler, Ellis and Thorne respond to the following situation?

The case of Miserable Mike Mike had been raised by his grandfather, and his grandfather had done a commendable job. Mike was an accomplished musician who played in his college orchestra in addition to majoring in business administration. His grandfather provided steady guidance, ample financial support and love.

Mike's grandpa had also set an excellent example, and had only one small vice: he loved to go to the track to watch the horse races. He never bet much because he believed the races were fixed and that only the horse owners got rich. He had confided in Mike that at one time, he had dreamed of owning a race horse.

At the end of his junior year, Mike's grandpa died and the estate was liquidated. Mike inherited $250,000. After mourning most of the summer, Mike decided not to return for his senior year of college but to use his inheritance to purchase a race horse. Mike knows very little about horse racing because he avoided going to the track with his grandfather. He secretly believed that horses running around in circles was rather dumb. But, in his grief, Mike had set his personal beliefs about horses aside and was now interested in developing a winner to honor his grandfather's memory.

Here is what might happen if Mike went to see SBDC counselors who followed the advice of Rogers, Adler, Ellis or Thorne.

Rogers If Mike would see an advocate of Rogerian counseling, he would find a very non-judgmental counselor who acted in a positive manner. This counselor would explain that it was up to Mike to set the counseling goals and choose the direction. No matter which way the conversation headed, this counselor would refuse to criticize Mike's ideas or set a course of action for him. He would explain to Mike that he was there as a facilitator who would assist Mike in the acquisition of whatever knowledge Mike wanted to acquire in order for Mike to make his own decision.

Mike may complain that it would take more than a month for him to resolve all the issues, gather all the information and actually get into business. This delay was what he was trying to avoid by coming to the SBDC in the first place.

Ellis If Mike saw a disciple of Ellis, this counselor would believe that the goal of a counselor is to demonstrate to clients that much of what they are saying is illogical and irrational. Furthermore, this

redirection because this is a very difficult area of counseling. The people in this category are simply not ready to be in business, for various reasons. The group includes those with mismatched aspirations and capabilities, and a group I call linear thinkers. It also includes two types of people business counselors are not equipped to help: substance abusers and idle dreamers who have no collateral, capital or experience.

Those with mismatched aspirations can be helped. For example, chronically ill people can start small businesses, but the businesses must be relatively undemanding and flexible enough to allow for bad days. In the case of Wayne, it would be highly unlikely to expect to raise $200,000 for a high risk speculative venture. (I would like to note that I have successfully worked on loan packages for people as young as 14, but for small loans of under $5,000.)

Linear thinkers are people who can work on only one concept at a time. They find a location and sign a lease; then they renovate the location; then they seek out suppliers and buy the merchandise, only to find out that they have no resources left to obtain the business license or to pay for the initial promotion. Linear thinkers are simply unable to work on two problems at the same time. Because of this, time and assets are wasted and resources are used up before the business even opens.

The goal for counseling those with mismatched aspirations and linear thinkers is to get them to face the reality of their irrational desires. In the former case, you hope to redirect efforts into something more realistic so clients become ready for developmental counseling. In the latter case, linear thinkers are often better off if they do not start their own businesses.

When I first started counseling, I referred all people with unrealistic or mismatched aspirations to my boss, Acting State Director Chester Williams, and gave him the unpleasant task of trying to bring

counselor would believe that the most irrational thought of all is that there is a perfect solution to every problem. He would explain to Mike that it was irrational to expect a perfect solution in a month. He would go further and explain that Mike was grieving the loss of his grandfather and that he associated that loss with school because Mike had been too busy studying to spend all the time he had wanted to with his grandfather.

This counselor would further explain to Mike that purchasing a race horse was a stupid fantasy driven by guilt for which he would be sorry for, for the rest of his life. Also, dissipating the $250,000 on a horse would prevent him from finishing his education. He would say that Mike should finish school, get a job, and if he wanted to waste money on a race horse when he could afford it, that would be fine. Moreover, when he is a little older and wiser, he would be thankful for this advice.

Adler If Mike saw an Adlerian counselor, he would find someone who reminded him of the first counselor. He, too, would have a genuine, empathetic manner and would seem to be listening to Mike with unconditional positive regard. Where this one would seem to differ would be that he would genuinely interact with Mike and mutually explore horse racing as a business. As they would sit down and pursue the discussion, Mike would find out that there was much he did not know about horse racing as a business.

This counselor would start to offer suggestions, such as: go to the library and research horse racing as a business; seek out the horse owners association and read their publications; and go to the agricultural specialist and talk to him about raising horses. Finally, this counselor would call two old friends who were horse owners and set up appointments for Mike. He would write down all of Mike's homework and set up an appointment for Mike for one week later.

This counselor would bring structure to Mike's life without being judgmental. Mike knew that when he finished all his "homework," he would have the basis for a sound business decision. Meanwhile, the counselor would convince Mike to preregister for the fall semester of his senior year as a back-up position, in case the horse racing venture did not work.

Thorne A counselor who followed Thorne would not see Mike at this stage because Mike was not in a crisis yet. If, however, Mike bought a horse, then lost all of his money, and was not admitted back into college, a counselor who followed Thorne would step in. He would use "any means necessary" to bring Mike down to earth.

the client back to reality. With Wayne, I probably exceeded my responsibilities as a business counselor, but I could not identify any other organization that could serve this "at risk" young man. When I discussed the case with Chester, he suggested that we continue working with Wayne and that we refer him to the other people previously mentioned.

Crisis intervention

The case of the bankrupt broker Jeff came to me for counseling when he had very serious problems, but he always remained a casual client. He had been a successful stockbroker at the point in time when he saw a deal on a small supermarket. He recognized that the demographics were changing, and that what had once been a remote location would soon be in the center of a prosperous area. His second shop was equally well positioned. Growth stopped at four stores and Jeff was feeling a cash flow crunch, which he blamed on the recession.

A casual inspection of his books indicated he had been profitable in his first year, achieved break-even with two stores and was struggling for survival after opening his third and fourth stores. Jeff explained that he had switched accountants after his first year because he had to pay too much in taxes. He also confided that after he got rid of his original accountant he had ample "pocket change" for the next few years.

A closer examination of his business on a store-by-store basis indicated that the second store was not as good as the first and the last two were dogs. Hence, the money that had been borrowed for expansion was actually covering operating losses and Jeff's "pocket change." In fact, there was very little I could do to help Jeff. He kept appointments only when one of his creditors was making life particularly miserable, and his only interest was new sources of funds to "tide him over" until conditions improved.

Eventually two stores were repossessed by the

There are potentially as many crisis intervention clients as preventure clients.

landlord (including the inventory and fixtures) and the other two had to assume $900,000 of debts with assets of $400,000 and total sales of $1.2 million. Almost $600,000 of the total debt was accounts payable and demand notes. Jeff is resisting reorganization under Chapter 11 and it is unlikely that he will end up with anything to remember this venture other than his personal guarantee on the $300,000 SBA loan.

There was nothing that our SBDC could do to assist Jeff in his current state of mind. He needed a full-time management specialist to reorganize everything, and even that would never work unless Jeff relinquished control and threw himself at the mercy of the bankruptcy court.

The case of the lucky lawyer After Fred's law practice started to prosper, he decided to invest in an office complex and move his practice to that location. Unfortunately, in his dealings as a landlord, Fred had a heart of gold. Rents had not been increased for years and Fred was paying $5,000 per month in utility bills which were not prorated to tenants. In addition, his mortgage was $3,500 per month. To compound matters, several tenants were behind in rent.

After prorating the utilities on the space occupied, two tenants had negative rents, which means that their rent was lower than the prorated share of the utility bill. Because of the poor cash flow generated by the building, his SBA loan was in arrears, as were his personal taxes. This was despite the fact that Fred earned over $100,000 per year. The building was dragging him down.

Fortunately, the building was worth about $450,000 and if Fred could find a friendly banker, he could refinance the building, pay off all his debts, have enough money to separate the utilities, and — because of lower interest rates — pay less each month for his mortgage. I told Fred that the short-term solution was to find a friendly banker and refinance his building. On the long-term, he must raise rents, prorate utilities, and be more diligent in his rent collections. Since his current rents were only one third of the market, Fred could safely raise rents and keep his complex fully occupied.

I next saw Fred when he had spent the $250,000 and was still having problems. It seems he could not manage the building or evict tenants who were six months behind. I introduced Fred to a professional real estate manager, who now manages the building. Fred is now doing fine.

Discussion of crisis intervention Crisis intervention does not fall in the continuum described above, but actually falls below it. Unfortunately, during recessionary economic periods, a significant number of people may fall into this group. Two out of three new small businesses will eventually fail. Thus, there are potentially as many crisis intervention clients as preventure clients.

Because business failures are preceded by disgruntled suppliers, creditors, employees and customers, clients in this category will be under severe stress. In many cases, the client received poor advice to start with and probably should never have been in business in the first place. The advisor who did the original business plan and loan package had abandoned the client for inability to pay, so the client is out on a limb, alone.

The only way to handle these clients is calm them down and attempt to put bandages on their symptoms. If you are very lucky, you may have enough time to isolate the problem and start the client on a rational redirection of efforts or to start the client on developmental counseling.

In the case of Jeff, there was nothing I could do to assist him with his problems, and I would have to count this as a counseling failure. Depending on the perspective, Fred could also be considered a counseling failure. He did not properly engage in developmental counseling to change his ways or learn about business. He was just lucky enough to find a friendly banker and a competent real estate management company. He is still not ready to enter the world of business.

Approaching the new client

The previous section demonstrates that the business advisor is required to serve small-business owners in a variety of functions. Still, it would be desirable to find a single approach that can be used to serve all new clients. One place to seek a solution is in counseling theory.

After extensive reading and courses in counseling, I have developed a style that is compatible with my personality and with which I am comfortable. However, I believe that every counselor should develop his or her unique style. Therefore, I advise all readers to explore the sources cited with this article and to develop their own approach to client service.

All counseling theories are cognitive processes that involve the client in a method of learning. The intent is to change clients in some way, to make them think differently, feel differently or act differently. According to Corsini and Wedding (1989), all good counseling theories are eclectic, meaning that the techniques and methods are secondary to the counselor's sense of the client's needs at a given time.

This is not to imply that theories are useless. What it does mean, however, is that a counselor must choose a theory that is compatible with the counselor's nature and is consistent with the client's objectives. In order to be effectively eclectic, one must have a good foundation in counseling theory. Thorne developed the concept that eclecticism involves "the selection and orderly combination of compatible features from diverse sources, even from otherwise incompatible theories and systems ... [into a] naturally consistent whole (1961, page 40)."

Bruce (1984) organized counseling goals into a developmental continuum. The goals were arranged in a hierarchy relating to the hierarchy of needs outlined by Maslow. According to Bruce, the different counseling theories seemed to be speaking to different counseling goals. Some would be more effective for guiding clients to higher-level goals, and some would work better for lower-level goals.

Bruce noted that the most basic goals have to be resolved before the higher level goals could be pursued. Again, this concept is consistent with Maslow, who postulated that lower-level needs had to be fulfilled before the higher level needs would act as motivations. I believe that the reasoning of Bruce can be directly utilized in developing an approach to business counseling. However, since the business advisor is not aware of the real needs of the client, the approach must be adaptable to all of the possibilities previously outlined.

According to Corsini and Wedding (1989), the best system for most new counselors to start with is a Rogerian approach, which is also the best model for consulting and process facilitation. The basic premises for this approach include:

- the holistic approach is more adequate than an elementaristic one,
- the client's creative power is a critical force in achieving goals, and
- counseling is based on good human relationships.

The information contained in the following discussion of client-centered counseling is from Rogers (1965), Patterson (1980) and Raskin and Rogers (1989).

To have an effective relationship, the counselor must have *unconditional positive regard* for clients and approach them with non-judgmental caring. The counselor must exhibit *empathetic understanding* of the client's frame of reference and convey this understanding to the client. The counselor must act in a *genuine manner* because if counselors are role-playing, they will not be as effective.

The expected results of counseling include:

- Clients becomes more open to evidence.
- Clients adopt more realistic goals for themselves.
- Clients become more self-confident and self-directing.

I believe that most business counselors would accept these general goals and many act in a genuine manner. It is perhaps with empathy and unconditional positive regard that consultants often fail.

It is not uncommon for consultants who are experts in a field to unintentionally treat others who are less knowledgeable in a condescending manner. This tends to build a wall between the client and the consultant. Further compounding the problem may be the inability of the consultant to feel true empathy for the client.

While it is important for the counselor to act in a natural manner, it is more important to view every problem from the client's perspective. Furthermore, the advisor must accept and respect the client's own processes. Empathy is a feeling which can be fostered and developed. Once a person accepts that empathy is important, he or she can try to look at every problem from the other person's perspective.

In the client-centered approach, it is the client who sets the goals and chooses the direction. Clients independently make all decisions based on knowledge. Counselors do not attempt to change people, nor do they act as surrogate decision-makers. In a Rogerian approach, great value is placed on the relationship that develops between the counselor and the client. The counselor should be "immediately present and accessible to the clients" (Rogers and Sanford, 1985).

As a business advisor, I completely accept the Rogerian approach when working as a consultant or a process facilitator. Regardless of whether the client is seeking information for making a decision or is attempting to learn the process that leads to a decision, the Rogerian approach develops stronger decision-makers and ultimately better business owners.

When clients enter my office for the first time, I have full faith that they are capable of making and will make the correct choice once they have acquired the proper knowledge. Subsequently, I approach new clients as if they were fully knowledgeable and functional. However, this assumption is often wrong. Many people who seek business advice do not have the proper basic business knowledge necessary to benefit from the use of a consultant or a process facilitator. These clients need developmental counseling, which I believe is more effective with an Adlerian approach.

In many cases, the client received poor advice to start with and probably should never have been in business in the first place.

Small-business problems must be viewed as reflections of the owner's problems.

Both Adlerian and Rogerian counseling are humanistic. The major difference between the two is that Adlerian counseling is not opposed to giving advice that will directly alter the client's behavior. The difference is readily understood in terms of two of the cases presented. I did not need to assign homework to Mary or to even follow up on her actions. Once I provided her with information, it was up to her to act on it. She will make her own decisions and follow her own path.

This cavalier attitude would have left Alice stranded. She had a complex plan to develop and did not have an information base. If I had written the plan for her, it might not have been compatible with her abilities, goals or objectives. Allowing the client to be inundated with a myriad of complex, unanswered questions would have been an equal disservice. As her counselor, I selected her homework, provided her with a sense of direction and gave her a manageable workload. Contrary to Rogerian counseling, I am trying to change the client. I am trying to get her to "investigate before she invests."

The goal of developmental counseling is to build a foundation of knowledge that will prepare clients for the business community and move them up the counseling hierarchy. Since time is money in business, and since mistakes are costly, I describe what areas of knowledge they need and how they can obtain it. I give them homework to do and schedule meetings to discuss their work. Other than this one alteration, my humanistic approach remains consistent.

Most people resolve their business questions at this stage. Those who have a genuine desire to enter business complete their homework. Those who cannot expend the time and effort put their projects on hold. Only a few (less than five percent) need rational redirection. These clients persist in traveling in the wrong direction or in being unable to face two problems at the same time.

Counseling relationships start with a positive regard for the client and a search to determine the extent of the client's knowledge. Continued counseling provides direction in an attempt to develop the knowledge base. If clients choose an unrealistic path, their problems are beyond the scope of normal business counseling.

On those infrequent occasions, I generally confer with my boss. A second opinion can be valuable. On one occasion, a client was simply not comfortable enough with me to present a rational plan, but was able to communicate more clearly when we changed counselors.

As I became more familiar with counseling theory, I became aware of the work of Ellis (see Patterson, 1980 and Ellis, 1989), who believed one goal of a counselor is to demonstrate to clients that what they are saying is illogical or irrational. I have seen videos of both Ellis and Rogers in action and am personally more comfortable with the Rogerian approach. However, on those rare occasions when I am forced to tell clients that their concepts are unrealistic, it is comforting to know that there is at least one advocate of the blunt approach.

The final theory significant for this writer was proposed by Thorne, who brought respectability to the eclectic approach. A knowledge of Thorne is particularly helpful to those involved with crisis intervention in business problems. Patterson (1980) and Thorne (1961) were used as sources. Note this method is opposite to Ellis but is addressing a crisis, not a chronic problem.

Thorne believed that non-directive methods such as Rogers' were useful for counseling "normal" people and could also be effective in dealing with minor problems. He recognized that many problems disappear with the passage of time and therefore a person's suffering could be reduced by treating the symptoms. In essence, Thorne advocated that in a crisis situation, a counselor should do whatever is necessary to relieve the anxiety of the client. Like Adler, he believed that counselors could:

- be directive and give advice when necessary;
- help clients postpone hasty decisions; and
- if no solution is obvious, give the client moral support. In terms of relieving anxiety and helping clients get on with their lives, Fred, the case of the lucky lawyer, could be counted as a counseling success.

Conclusion

Most counseling theories operate on the assumption that we are the controllers of our environment, not the products of it. Likewise, small-business problems must be viewed as reflections of the owner's problems. Some businesses prosper despite recession and others fail during periods of prosperity. Furthermore, there are usually survivors and failures for every type of business, regardless of the state of the economy. Hence, bad economies do not lead to failures, bad decisions made by humans lead to failure.

Fortunately, humans can be taught to make better and more informed decisions. As business advisors, our job is to select an approach to teaching that is compatible with the needs of the client.

For further information, I recommend:

Bowser, G. W., Who seeks management assistance? A study of minority entrepreneurs, *Journal of Small Business Management* (October, 1981, pp. 24-28). A provocative article which assesses the impact of prebusiness counseling on the success of minority business. Despite higher education and more managerial experience, those who receive counseling are often less successful than those with more field experience and no counseling. I suspect that this is also true for non-minority businesses.

Bruce, P., Continuum of counseling goals: A framework for differentiating counseling strategies, *Personal and Guidance Journal* (January, 1984, pp. 259-263). The author attempts to bring order to the myriad of mental health counseling theories. He relates the hierarchial goals of counseling to fulfilling Maslow's needs and matches appropriate counseling style with the mental health needs of the client. This article acted as an inspiration for the hierarchy of business counseling and the use of different techniques presented in this paper.

Corsini, R. J. & Wedding, D., *Current Psychotherapies,* Itasca, Ill: F. E. Peacock Publishers, Inc., (1989). This is an anthology of mental health counseling. It has the originator of a method (or a living advocate) describe the history, theory and application of the method. This is supported by appropriate cases. Also, extensive sources for further reading for each method are listed.

Ellis, A., Rational-Emotive Therapy. In Corsini & Wedding (1989). Ellis is the originator of RET, a shock treatment for invoking rational thought in clients.

Patterson, C. H., *Theories of Counseling & Psychotherapy,* New York: Harper & Row, (1980). This is a somewhat older introduction to counseling theory. It has a single author's perspective. The author offers the background, philosophy and process for each method. It also uses cases to support each method.

Raskin, N. J., and Rogers, C. R., *Client Centered Therapy.* In Corsini and Wedding, (1989). (See Rogers.)

Rogers, C. R., *Client Centered Therapy,* Boston: Houghton Mifflin Co., (1965). This is Rogers discussing the methods of Rogers. It is a well-written book, originally published in 1951. It has been updated with appropriate cases and includes extension of his method to groups and teaching by outside authors.

Rogers, C. R. and Sanford, R. C., Client-centered Psychotherapy. In H. I. Kaplan, B. J. Sadock, A. M. Freidman (eds.) *Comprehensive textbook of psychiatry.* Baltimore: William & Wilkins. (1985).

Schein, E. H., "The role of the consultant: Content Expert or Process Facilitator?" *Personal and Guidance Journal,* (February 1978 pp. 339-343). Schein developed the concept of process consultation to distinguish between consultants who act as providers of knowledge and those who go beyond and facilitate client learning particularly in assisting clients in solving their own problems.

Stevenson, H. H. and Sahlman, W. A., "How small companies should handle advisors," *Harvard Business Review,* (March-April, 1988, pp. 28-34). This article provides sound basic advice on managing consultants and interacting with them. It provides details in handling pitfalls caused by mismatched consultants, those with poor ethics and outright frauds.

Thorne, F. C., *Personality.* Brandon, Vermont: Clinical Psychology Publishing Co., (1961). This is the original work by Thorne, who was concerned with crisis intervention. It includes details of handling the client, supported by cases. This is an old book, not readily available, but Patterson covers him well.

Turner, A. N., "Consulting is more than giving advice," *Harvard Business Review,* (September-October, 1982, pp. 120-129).

(Turner is discussed on page 51.)

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